

Travel Policy—Revision date 11/1/2011

TABLE OF CONTENTS

1. Purpose
2. Travel Authorization
3. Travel Arrangements
4. Approved Forms of Payment
5. Air Travel
6. Frequent Flyer Programs
7. Ground Transportation
8. Meals
9. Hotels
10. Arranging Visitor Hotel Accommodations
11. Spousal, Dependent, or Companion Accompaniment
12. Combined Business/Personal Travel
13. Non-allowable Expenses
14. Advances
15. Documentation and Substantiation Requirements
16. Expense Reporting
17. Students
18. Consultants, Speakers, and Other Vendors

1. Purpose

Travel plays an important role in advancing the University's educational and research missions. When conducting official business on behalf of the University, faculty, staff, and students are expected to use good judgment and ethical behavior to manage travel expenses. Questions about this policy should be sent to travel@case.edu.

It is the policy of the University to reimburse faculty, staff, and students conducting authorized business on the University's behalf for necessary, appropriate, and approved travel-related costs and activities for which the traveler has not and will not be reimbursed from another source.

The following policies and procedures apply to all sources of University funds, including gifts, endowments, and discretionary funds. More restrictive policies and procedures may apply to certain sources of funds, including sponsored programs. In addition, more restrictive travel policies and procedures may also be specified by select programs, schools, or departments. Employees are responsible for following this policy and, if applicable, the policy of their particular program, school, department, center, or division.

Control of travel budgets is the responsibility of each dean and department head. Approval of expense reports is more than a formality. It indicates that expenses submitted have been reviewed and have been found to comply with the University travel policy and, if applicable, sponsored program regulations regarding travel and authorized business expenses. All personnel traveling or incurring business expenses on behalf of the University are expected to be familiar with relevant policies. Those responsible for budget approval of these expenses also must be familiar with relevant policies.

2. Travel Authorization

All travel must be approved by the traveler's supervisor, who must indicate his or her approval and title by signing the traveler's statement of travel expense form (<http://www.cwru.edu/finadmin/security/travel/forms.htm>). Approval should be secured in advance of booking, with exceptions permitted in unusual circumstances. Discretion regarding whether to grant exceptions rests with the employee's direct supervisor. It is strongly recommended that employees and supervisors discuss what circumstances might justify booking travel without advanced approval before a specific situation arises.

It is not permissible to bypass this requirement, such as by having a subordinate employee charge the traveler's travel to a personal liability (I&E card) or personal credit card in the subordinate employee's name, in which case the supervisor would effectively approve his or her own travel by approving reimbursement to the subordinate employee. As a matter of budgetary control, administrators of various organizational units may develop internal procedures for the approval of travel requests before travel commences and the allocation of financial resources to be used.

It is the responsibility of the department administrator and the traveler to ensure that charges are allowable under the University's travel policy and, if applicable, sponsor guidelines. They also are responsible for ensuring the expenses are within budgeted amounts and allocated to the appropriate funding source. The traveler also must collect and submit all receipts. The Department of Travel Services performs regular audits of travel expenditures to ensure that departments comply with University policies and procedures. Those who fail to comply will be subject to University sanctions applicable to their status (e.g., faculty, staff, or student).

3. Travel Arrangements

The University recommends all airfare be purchased through its preferred agencies (<http://www.case.edu/finadmin/security/travel/agencies.htm>.) Our agencies will direct-bill airfares to university speedtypes with appropriate backup eliminating the need for traveler reimbursement. Airfares not transacted through the preferred agencies are subject to greater levels of audit review.

Aggregation of travel data through preferred agencies is a useful step in negotiating volume discounts with providers and reducing the University's total travel expenditures.

4. Approved Forms of Payment

Preferred Travel Agency Direct-Bill (recommended)

This is the recommended method for purchase of all airline tickets and group travel arrangements. Those who book travel through this service should contact the agency directly should they subsequently seek to change the terms of travel (i.e., dates, seating, etc.).

University Travel and Expense Card (T&E card)

Current faculty and staff may apply for a University American Express Travel and Expense Card (T&E card). The T&E card is available at no fee and can be used for both business and personal charges.. The traveler is responsible for complete and timely payment of all charges; individuals will be reimbursed for supported/approved expenses. - See the Travel and Expense Card Policy for more information [<https://www.case.edu/bizpolicies/tande/tande010410.pdf>].

Personal Credit Cards

Individuals may also use personal credit cards for charges related to travel. To receive reimbursement, individuals must submit the year-appropriate statement of travel expense (<http://www.cwru.edu/finadmin/security/travel/forms.htm>) accompanied by a PeopleSoft payment request form (http://www.case.edu/projects/erp/qrg/FIN_Payment_Request.pdf) to the Travel Accounting Office. Along with these documents, individuals must also submit original, detailed receipts to receive reimbursement.

Airline Reward Miles

The use of airline reward miles for any purpose is not reimbursable.

5. Air Travel

All official University travel should be booked at the most economical rates available. Generally, only economy fares are reimbursable. Travelers are encouraged to use flights with connections when there is a substantial premium for nonstop travel. Higher airfares may be permitted to avoid circuitous routing, unreasonable travel hours, excessively-prolonged travel, or additional costs offsetting airfare savings. Exceptions may be permitted to accommodate travelers' medical needs.

As a good business practice, travelers should make air travel arrangements as far in advance as possible and be willing to make reasonable adjustments to their travel plans.

For all federally funded air travel, U.S. air carriers must be used from the points of origin to destination. If no U.S. carrier services the destination, such service must be used to the farthest interchange point. The federal government requires the use of U.S. air carriers, even if the fare is more expensive or the route to the destination is more circuitous. Traveler preference and convenience are not valid exceptions for use of a non-U.S. carrier when payment is requested from federal funds, including federally funded research. The federal government does not permit code sharing unless the ticket is issued by a U.S. airline. The government provides a few exceptions to the above rules. The need to use a non-U.S. carrier must be documented in writing before travel expense reports can be reimbursed. The University's preferred travel agencies are aware of these requirements and will ensure compliance with them. Users also may consult directly with the Sponsored Projects Accounting Office [<http://ora.ra.case.edu/research/ospa/index.cfm>] for additional information.

For airline ticket purchases for business travel, the original airline ticket receipt, airline confirmation notice, or travel agency invoice detailing flights, destination, and payment must be submitted with the reimbursement request. When booking ticketless airline travel, the traveler must request a receipt from the airline or travel agent at the time of the booking or check-in at the airport. This receipt must provide details of flights, destination, and payment and must be submitted with the reimbursement request.

For Internet air travel purchases, a printed copy of the purchase receipt and itinerary or copy of e-mail receipt and itinerary received from the airline or travel agency—which provides details of flights, destination, and payment—must be submitted with the reimbursement request.

For consolidator airline ticket purchases for business travel, the airline ticket receipt indicating flight details, destination, and payment must be submitted with the reimbursement request.

Business Class Travel

First class and/or business class travel is not normally reimbursable. Exceptions may be granted when trip duration exceeds five hours (exclusive of stops or layovers) and advanced authorization is secured from the senior vice president for finance/chief financial officer. . Such advanced authorization requires travelers to document rationale and funding source. Reimbursement for upgraded air travel that does not comply with these policy guidelines will be made at the reasonable economy-class airfare for that trip.

Business class travel may be charged to a federally sponsored grant only under rare circumstances. Please consult with sponsored projects accounting (<http://ora.ra.cwru.edu/ospa/policies/index.cfm>) prior to charging business class airfare to a federally sponsored award.

Charter travel may be necessary under special circumstances. Charter travel must have prior approval of the senior vice president for finance/chief financial officer.

6. Frequent Flyer Programs

Most major airlines now offer one or more forms of bonus awards for frequent flight on their own or affiliated carriers. The University has no objection to travelers enrolling in such programs, as long as travel arrangements are made in accordance with established University policies and procedures. Additional costs incurred for the purpose of accumulating frequent flyer credits for personal awards are not reimbursable. Travel and event arrangers are not permitted to accept reward points, free room stays, or other excessive gratuities when the travel or event is being paid by the university.

Users should recognize that certain grant and external funding agencies may require that awards earned for travel from the agency be used for related travel. It is the responsibility of the principal investigator to monitor compliance. The use of airline reward miles for any purpose is not reimbursable.

7. Airline Ancillary Fees

Travelers should be aware that ancillary fees (e.g., extra baggage, exit row seating, on-board internet, etc.) can contribute significantly to the cost of base airfares. Reimbursement for these fees is at the discretion of each management center.

8. Ground transportation

Each employee is expected to use the most cost-effective ground transportation available, considering expense, time, availability, and scheduling.

Public Transportation

The cost of public transportation is reimbursable and does not require a receipt.

Taxi and Airport Transportation

Whenever practical, airport or hotel limousines are the preferred method of transportation to hotels or meeting sites. That said, the University recognizes that taxis often represent the most efficient means of travel. A receipt is required for reimbursement for such expenses.

Automobile Rentals

Rental automobiles may be used as necessary. Travelers are encouraged to use preferred car rental agencies for discounted rates when possible. Department are expected to exercise fiscal responsibility. Normally, standard, intermediate, and economy-sized vehicle categories are supported. Rental cars must be refueled prior to return to the rental car company to avoid fuel surcharges. Fuel prepayment is discouraged.

Insurance Coverage for Rental Cars

Faculty and staff who rent vehicles during the course of conducting University business should decline liability/physical damage insurance offered through the rental company. The vehicle should be rented in the name of, "Case Western Reserve University, by (Your Name)." Insurance coverage is provided through the University's vehicle insurance policy. An insurance card indicating insurance coverage for rental cars is available online through the Case Travel web site. When renting a vehicle outside of the United States, however, individuals should purchase insurance coverage.

Any incident or accident involving a rental vehicle should be reported to the Office of Risk Management and Insurance at (216) 368-1547 as soon as possible.

Personal Vehicles

Expenses for travel using personal vehicles are reimbursable at the IRS authorized rate in effect as of July 1 of each fiscal year. The mileage reimbursement allowance covers all automobile-related costs: gasoline, insurance, maintenance, wear and tear, etc. Toll charges and parking fees, when supported by receipts, are reimbursable in addition to the mileage allowance. Total personal automobile expenses for a specific trip shall not exceed the lowest available airfare plus the costs of associated ground transportation. Travelers may be asked to provide documentation substantiating that the mileage reimbursement does not exceed the lowest available airfare. Following IRS guidelines, mileage for relocations will be reimbursed at a different rate than for standard travel.

Travelers using personal vehicles to conduct official University business should have adequate automobile coverage including liability, physical damage, and uninsured motorist coverage. Travelers must carry at least the minimum legal limit of liability insurance as specified in the state where the vehicle is registered. Travelers should be aware that liability insurance coverage for automobile accidents follows the ownership of the vehicle. Damage to personal vehicles used on official business is considered

covered by private insurance. The University does not assume liability for deductibles or other uninsured loss to the vehicle.

University Vehicle Use Policy

In addition to those policies stated above, all University drivers are subject to, and shall comply with the University's vehicle use policy: <https://www.case.edu/finadmin/does/PlantSafety/Fleet.pdf>

8. Meals

The actual and reasonable cost of meals, including taxes and tips, while on University business is reimbursable. Travelers should select restaurants that are reasonably priced for the locale. Original itemized receipts are required if the total cost of a meal exceeds the University meal allowance (<http://www.case.edu/finadmin/security/travel/info.htm#meals>). In the absence of detailed receipts, individuals will be reimbursed actual costs, not to exceed University meal allowance for that meal only.

The University's meal allowance is **not a per diem**; it assumes actual expenses per meal have been incurred.

- Breakfast will be reimbursed whenever the traveler is out of town the previous night. Also, breakfast reimbursement is permitted if the incurred travel begins earlier than a normal breakfast and no meal is served on the transportation used.
- Lunch will be reimbursed on all out-of-town assignments, provided that the trip begins before the lunch hour.
- Dinner reimbursement will be made when the traveler is away from home for the evening meal or does not return home until after the normal dinner hour and the transportation company failed to provide a meal en route.

When claiming reimbursement on an actual cost basis including gratuity, the original itemized receipt must be submitted with the statement of travel expense (<http://www.cwru.edu/finadmin/security/travel/forms.htm>).

If meals for non-University individuals are included in the total submitted for reimbursement, their names, relationship to the University and the business topics discussed at the meal must be provided in addition to the original receipt. Note that this type of entertainment expense may not be charged to a federally funded project unless a clear explanation is provided as to how the group meal advances the work under the sponsored agreement. Also note that alcohol may not be charged to any federally funded grant or contract.

10. Hotels

Lodging expenses are reimbursed on an actual cost basis. Individuals traveling on University business are expected to use reasonably priced lodging. The University travel agencies offer corporate hotel discounts, and the University has also negotiated reduced rates with a number of local hotels (<http://www.case.edu/finadmin/security/travel/info.htm#hotels>). The University also offers a formal program (<https://www.booksmarttravel.com/cwru/>) to make reservations easier. Wherever practical, the traveler should use these reduced and/or preferred rates. When requesting reimbursement, the original itemized hotel bill must be attached to the statement of travel expense (<http://www.cwru.edu/finadmin/security/travel/forms.htm>).

It is the traveler's responsibility to cancel guaranteed hotel reservations in a timely manner. Any cancellation charges arising from the failure to cancel reservations is the responsibility of the employee. To protect themselves, employees should ask for a cancellation number and hotel the employee's name when canceling reservations.

Lodging at private residences is not supported for reimbursement or gratuity.

11. Arranging Visitor Hotel Accommodations

When arranging for visitor accommodations to the university that will be charged to a University department, the sponsoring department is encouraged to confirm those reservations through one of the University's preferred travel agencies (<http://www.case.edu/finadmin/security/travel/agencies.htm>).

12. Spousal, Dependent, or Companion Accompaniment

No travel-related expenses for spouses, dependents, or other persons accompanying employees on University travel will be reimbursed unless such travel provides a clear and direct benefit to the University. To qualify for reimbursement, the University requires that the spouse or companion's presence on the trip contributes substantially to the conduct of official University business and that the provost or chief financial officer approves the individual's presence on the trip in advance. Those seeking such reimbursement must document the business purpose served by the individual's attendance at the meeting or function and then secure advanced, written approval from the - chief financial officer. That signed approval, with documentation of business purpose, must be submitted with the statement of travel expense form. Should the traveler's spouse or other person accompany the traveler for personal purposes, only the net amount of the traveler's own expenses will be reimbursed.

For a spouse or other person's expenses to be reimbursable on a tax-free basis, the expenditure must meet all of the following IRS criteria:

- The spouse or other person accompanying the traveler is also a bona fide employee of the University;
- The travel of the spouse or other person must be for a bona fide University business purpose; and

- For tax purposes, the expenses would otherwise be deductible by the spouse or other person.

If the travel expenses are reimbursable but do not meet the criteria for reimbursement on a tax-free basis, the reimbursement or payment of these expenses must be included in the employee's taxable income and will be reported on the employee's W-2 Form.

13. Combined Business/Personal Travel

Whenever a traveler, for his or her convenience, travels by an indirect route or interrupts University travel for personal travel, additional expenses incurred are the responsibility of the traveler.

14. Non-allowable Expenses

The University's policy is to reimburse its employees for all reasonable and necessary expenses incurred while transacting the affairs of the University. However, specific types of expenses are considered to be personal, and are therefore not reimbursable. They include, but are not limited to:

- Cleaning, pressing, and laundry;
- Personal entertainment, including movies in a hotel room;
- Airline and other trip insurance;
- Barber, manicurist, and shoe shine services;
- Personal telephone calls, except to report changes in schedule, or to talk with family members once per day;
- Repairs on personal automobiles damaged while on company business;
- Traffic violations and court costs;
- Membership fees in airline clubs; and
- Charges incurred as a result of changes in travel itinerary made for the purposes of personal convenience.
- Hotel health club/spa charges
- Personal clothing or luggage purchases

14. Travel Advances

The intended purpose of a travel advance is for travel meals and incidentals only. Any travel advance request should be supported by a budgeting document that delineates need and intended use of advance. A travel advance may be requested only for individuals who do not qualify for a T&E card or personal credit card, or where extenuating circumstances exist.

Advances will be subject to timely reporting of all related expenses. The Travel Accounting Office reserves the right to refuse an advance to an individual who has a prior outstanding advance or has failed to properly substantiate prior advances.

Travel advances must be reconciled with the Travel Accounting Office within 45 days after completion of travel. Failure to provide proper accounting and documentation of advances, or failure to repay advances in excess of expenses within an appropriate time, will result in the University withholding the amount of the travel advance from the traveler's wages—if the traveler is an employee. If the traveler is a student, he or she will not receive any additional advances until the outstanding one is reconciled. The student also may be subject to disciplinary action in accordance with relevant University policies.

The University may also report the unsubstantiated amount to the IRS on a W-2 Form. Charging back or deducting the unsubstantiated amounts does not clear the traveler to request future advances.

Any unused travel advance money must be returned to the University in the form of a check or money order payable to "Case Western Reserve University." See "Frequently Asked Questions" on the Case Travel Web Page for more information on procedures.

[<http://www.case.edu/fnadmin/security/travel/faqs.htm>]

15. Documentation and Substantiation Requirements

The University currently has an accountable plan for employee business expense reimbursements, meaning that reimbursements to employees under the plan are generally not considered taxable income. Under IRS regulations for an accountable plan, expenses are required to meet three conditions:

- The expense must have a legitimate business purpose;
- The expenditure must be substantiated by receipts; and
- If an advance was made to the employee to cover the expenses, any of the advance not used must be returned.

Expenses not meeting all three conditions may be taxable and, therefore, subject to W-2 reporting.

Business-related expenses under IRS rules are those that would be eligible for an employee deduction on a personal tax return if the employee paid for them personally.

To satisfy substantiation requirements, all reimbursements must include an explanation of the business purpose for the expense and original receipts detailing the date, place, and amount of the expense. When

charged to a sponsored grant or contract, the explanation should include the relationship of the travel expense to the project.

Expenses not meeting all three conditions may be taxable and, therefore, subject to W-2 reporting.

Business-related expenses under IRS rules are those that would be eligible for an employee deduction on a personal tax return if the employee paid for them personally.

To satisfy substantiation requirements, all reimbursements must include an explanation of the business purpose for the expense and original receipts detailing the date, place, and amount of the expense. When charged to a sponsored grant or contract, the explanation should include the relationship of the travel expense to the project.

A record of the CFO permission for business-class airfare/upgrade should be attached to the relevant travel reimbursement request.

16. Expense Reporting

The statement of travel expense and supporting documentation—including a PeopleSoft payment request form—must be submitted to the Travel Accounting Office as soon as possible after completion of the trip, preferably within 45 days. Processing of reimbursement requests submitted beyond 45 days may be significantly delayed. Travel expenditures will not be reimbursed if the travel reimbursement is submitted more than one year past the date of travel.

The campus mailing address is:

Travel Accounting

Cedar Avenue Service Center

LOC 4910

17. Students

Students traveling on University business and activities shall adhere to the travel policy. The University recommends all student airfare be purchased through its preferred agencies (<http://www.case.edu/finadmin/security/travel/agencies.htm>.)

18. Consultants, Speakers, and Other Vendors

When arranging travel for non-employees such as consultants and speakers travelling for Case host departments should adhere to the travel policy where possible. Statements of Travel Expense must be completed for each traveler.